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## Japan

### Market Development Reports

#### Food Business Line

- Periodic Press Translations

2006

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**Report Highlights:** *The Seiyu Co., Ltd.* will develop 46 items under the new *Walmart* private brand name, "Great Value"; The *Aeon Group's* mid-term financial statement for August 2005 showed a sales profit of 6.91 billion yen; *Royal Holdings Co., Ltd.* will be the first among family restaurant chains to start showing information on the origin of food ingredients used in menus at their *Royal Host* family restaurants; *Colowide Co., Ltd.*, to use its Central Kitchen for centralizing some purchases for its group companies; According to the report from the Yokohama Customs Office, imports of fresh coffee beans for 2004 increased by 6.2%; *Meiji Dairies Corp.* will spend 12 billion yen to construct a natural-cheese operation that will have an annual output capacity of 20,000 tons, one of the largest in Japan; *Family Mart* to begin allergen labeling on its private brand snack foods.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo ATO [JA2]  
[JA]



## Food Business Line

Periodic Press Translations from ATO Tokyo Vol. V, Issue 16, October 1-15, 2005

### Retail/Wholesale

- *Mycal Corporation*, which operates under the *Aeon Co., Ltd.*, will finish the necessary procedures for the corporate rehabilitation in December, far ahead schedule and start opening new outlets under the name “SATY” in fall 2006. (b/ 10/5)
- *The Seiyu Co., Ltd.* will start expanding *Walmart’s* private brand “Great Value” products. They will develop 46 items such as HMR and snack in October and then increase the number of items to 100 by the end of 2005. (b. 10/7)
- *Aeon Group’s* mid-term financial statement for August 2005 showed a sales profit of 6.91 billion yen, an increase of 9% compared to the same period in 2004, due to the performance of its other business expansion activities, particularly its credit and real estate development subsidiaries. There was also improvement in retail business, especially clothing sales. (b. 10/5)
- Major convenience store operator, *Lawson Inc.* will open outlets in the metropolitan area under the names of *Natural Lawson* and *Lawson Store 100* with 1.5 times larger space to compete other rival convenience stores, fresh convenience stores and the recent trend in 24-hr food supermarkets. They will increase general grocery, food and luxury grocery items and organize eat-in space. (a. 10/5)
- *Daiei Inc.* decided to plan approximately 60 small food supermarkets over the next five years instead of the 100 it had originally planned. The struggling major retail chain operator, which has been working to turn around its business under the auspices of the Industrial Revitalization Corp. of Japan, intends to freeze opening of general supermarket stores until the end of February 2008 to focus on renovating existing locations. (a. 10/8)
- *Daiei Inc.* started “Delica Project” as a strategy to strengthen its HMR business. The concrete results are planned for stores in December. (g. 10/6)
- Major supermarkets seem to be circumspect in planning to sell U.S. beef while having the prospect of resumption in December. The main reason is that the reasonable price that used to be the most attractive characteristic in U.S. beef before the ban will not be expected. They are not sure about the quantity that will be available and also afraid of the reaction of consumers’ who are sensitive to food safety. (b. 10/12)
- According to the mid-term financial statement for August 2005 for the three major convenience stores *Seven-Eleven Co., Ltd. Japan*, *Lawson Inc.* and, *FamilyMart Co., Ltd.*, all three company’s net profits were record highs mainly due to the increased sales of their original take-out products that have high profit rates. (a/ 10/13)

### Food Service

- *Royal Holdings Co., Ltd.* will start showing information on the origin of food ingredients used in menus at Royal Host family restaurants on its website. It is the first case among family restaurants to do it officially and is significant because they typically use a large number and a variety of food ingredients for a large number of menu items. The information covers over 50 vegetable items, 5-10 fishery items, and 5-10 meat and dairy items. (a. 10/4)

- *Reins International* will reduce the price of main items on its menu such as Australian beef at its “Gyukaku” Korean barbecue restaurant chain in reply to the consumers’ thoughts of the expensiveness of the new menu using domestic beef started in April. (b. 9/28)
- *Colowide Co., Ltd.*, is planning to set its Central Kitchen to be the base for making profits. *Colowide CK Co., Ltd.*, one of Colowide’s groups established last year, will be the center of building a closer connection with other companies outside of the group and for the management efficiency. As an example, they are expecting their purchases of whole carcass beef which will start from October to be the most notable plan for increasing profits. In the future, 60% of the total beef purchased for the group will be sourced through carcass purchases. (b. 10/5)
- *Yoshinoya D&C Co.*’s flagship beef bowls may make a comeback as early as January now that Japan is likely to lift its import ban on U.S. beef this year, President Shuji Abe said. (a. 10/8)

### **Food Processing/New Products/Market Trends**

- According to the report from the Yokohama Customs Office, imports of fresh coffee beans for 2004 increased by 6.2% to the record of 400,900 tons, reflecting the increase of both high quality coffee makers for home use and self-service coffee shops. (b. 10/3)
- Liquor tax revenue keeps decreasing. According to Ministry of Finance Japan, the liquor tax revenue from April-June shipments decreased by 4.7% compared to the same period of last year to 42.47 billion yen. Critics say that the loopholes in the tax system for liquor ingredients are the cause, and the reason the Government party laid out a plan to reevaluate the liquor tax for taxation system reforms in 2006. (a. 10/4)
- *Meiji Dairies Corp.* will spend 12 billion yen to construct a natural-cheese operation that will have an annual output capacity of 20,000 tons, one of the largest in Japan. When the facility starts running, the company’s natural-cheese production will increase sixfold. Global supplies of natural cheese have been dwindling, partly due to the rapid growth of the Chinese market. The domestic cheese market has been growing about 3% each year, and natural cheese in particular has been seeing strong demand. However, Japan relies on imports for about 90% of its natural-cheese consumption. (a. 10/8)

### **Food Safety/Consumer Awareness**

- *Family Mart* will strengthen the labeling on their private brand snack foods that have a possibility of an allergen. Over 25 ingredients including the ingredients which were mandatory to be labeled such as wheat, egg, buck wheat, peanuts and milk, are to be labeled using color illustrations. (b. 10/5)
- An expert panel is expected to draft a report later this month that is likely to pave the way for beef imports from the United States and Canada. This comes after Japan’s Food Safety Commission agreed that the chances of U.S. and Canadian cows being infected with brain wasting disease is extremely low. The Food Safety Commission will also solicit public opinion for about one month. (h. 10/4)

### **ATO/Cooperator/Competitor Activities/Trade Shows**

- No significant articles.

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☞ Sources ☞

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|--------------------------------------|---|
| (a) The Japan Economic Newspaper     | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal           | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News              | (f) The Food Industry News              |
| (g) Fuji Sankei Business I           | (h) Pan News                            |
| (h) Nikkei Net, Nihon Keizai Shimbun |   |

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